

# SENATE BILL REPORT

## SHB 1965

---

---

As Reported By Senate Committee On:  
Government Operations & Elections, March 27, 2007

**Title:** An act relating to authorizing major industrial development within industrial land banks.

**Brief Description:** Authorizing major industrial development within industrial land banks.

**Sponsors:** House Committee on Local Government (originally sponsored by Representatives Eddy and Curtis).

**Brief History:** Passed House: 3/08/07, 96-0.

**Committee Activity:** Government Operations & Elections: 3/27/07 [DPA].

---

### SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

**Majority Report:** Do pass as amended.

Signed by Senators Fairley, Chair; Oemig, Vice Chair; Roach, Ranking Minority Member; Kline and Swecker.

**Staff:** Mac Nicholson (786-7445)

**Background:** Under current law, planning counties meeting specific population, unemployment, and geographic requirements may, in consultation with cities, establish a process for designating an industrial land bank outside urban growth areas (UGA).

An "industrial land bank" is one or two master planned locations, each consisting of a parcel or parcels of contiguous land sufficiently large so as to not be available within the UGA, that is designated by the county through the comprehensive planning process specifically for major industrial use.

A county that has established or proposes to establish an industrial land bank must review the need for a land bank within the county during specific comprehensive plan and development regulation reviews and evaluations mandated under the Growth Management Act (GMA). The review must include a review of the availability of land for industrial and manufacturing uses within the UGA.

A master planned location for major industrial developments outside a UGA may be included in an industrial land bank if a number of criteria are met through the completion of a comprehensive planning process.

A "major industrial development" (MID) is a master planned location suitable for manufacturing or industrial business that either requires a parcel of land so large that no

---

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

suitable parcels are available within the UGA; is a natural resource-based industry requiring a location near agricultural, forest, or mineral resource land; or requires a location with characteristics such as proximity to transportation facilities or related industries and there is no suitable location inside a UGA. MIDs may not be for the purpose of retail commercial development or multitenant office parks.

In selecting master planned locations for inclusion in the land bank, priority must be given to locations that are adjacent to, or in close proximity to, a UGA. Final approval of inclusion of a master planned location in an urban industrial land bank is considered an adopted amendment to the comprehensive plan. After a master planned location has been included in a land bank, manufacturing and industrial businesses that qualify as MID may be located there.

The process for reviewing and approving the siting of specific MIDs in an approved industrial land bank must meet a number of development regulations including the provision of new infrastructure or payment of impact fees; the provision of buffers between MID and adjacent areas; addressing environmental protection; mitigation of adverse impacts; and establishment of an interlocal agreement related to infrastructure cost and revenue sharing between the county and interested cities. Approval of specific MIDs requires no further comprehensive plan amendment.

Nothing in the MID/land bank provisions alters the requirements for a county to comply with the State Environmental Policy Act.

The authority for counties to include or exclude master planned locations from an industrial land bank terminates in 2007, or terminated in 2002, depending on certain population, unemployment, and geographic characteristics of the county.

**Summary of Substitute Bill:** The process for designating industrial land banks and approving MIDs is amended as follows:

A master planned location for MIDs is approved through a two-step process: (1) the county must designate an industrial land bank in the comprehensive plan; and (2) approve of specific MIDs through a local master plan process.

The comprehensive plan must identify the maximum size of the industrial land bank and any limitations on MIDs based on local limiting factors; however, the plan need not specify a particular parcel or parcels of property nor identify any specific use or user. Final approval of an industrial land bank must be by amendment to the comprehensive plan. Approval of a specific MID within the land bank requires no further amendment of the comprehensive plan.

The environmental review for amendment of the comprehensive plan must be at the programmatic level and include an inventory of developable land and an analysis of the availability of alternative sites within UGAs and the long-term annexation feasibility of sites outside of UGAs.

The county must adopt development regulations for review and approval of specific MIDs through a master plan process. The master plan process must ensure that, at a minimum, urban growth will not occur in adjacent nonurban areas; development is consistent with critical areas regulations; that required infrastructure is identified and provided concurrent with development; that transit-oriented site planning and demand management programs are

specifically addressed; that provision is made for addressing environmental protection; that interlocal agreements are in place between the county and service providers; that a MID is used primarily by industrial and manufacturing businesses, that infrastructure is provided, that buffers are provided and adverse impacts are mitigated, and that a public hearing is held.

The termination dates in existing law are eliminated. Industrial land banks must be designated on or before the last date to complete the county's comprehensive plan update. Once a land bank has been identified in the comprehensive plan, the authority to site projects does not expire.

**EFFECT OF CHANGES MADE BY RECOMMENDED AMENDMENT(S) AS PASSED COMMITTEE (Government Operations & Elections):** A county seeking to designate and site an industrial land bank must provide notice of the intent to designate a land bank at least 30 days prior to consideration. The notice must be published in a newspaper of general circulation reasonably likely to reach subscribers in all geographic areas of the county. The county must make a written determination of the criteria and rationale used by the county as the basis for siting an industrial land bank.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: The stakeholders, including cities, counties, and the environmental community were brought together and they concurred with the language of the bill. It makes siting an industrial land bank not easier, but more logical. This is a good land use and economic development bill. The proposed amendment makes it a better bill. More notice is better than less notice.

**Persons Testifying:** PRO: Representative Eddy, prime sponsor; Chris McCabe, Association of Washington Business.